James City County Alternative Budget

FY 2016

Jay Everson and Chris Henderson April 14, 2015

James City County Board of Supervisors is Considering the largest tax increase in history!

- FY 2015 \$175,085,878
- FY 2016 \$187,750,000

Difference of \$12,644,122 in new/additional spending

Proposed Tax Increase

Proposed Tax Increase of 8.2 cents per \$100 of assessed value represents an 11% tax hike to James City County property owners.

Methodology

- REVIEW KEY WORK PLAN ITEMS BY DEPARTMENT
- REVIEW CURRENT AND HISTORICAL STAFFING LEVELS BY DEPARTMENT
- REVIEW OF KEY PERFORMANCE INDICATORS BY DEPARTMENT
- COMPARE AND CONTRAST PLAN FY 2016 AND PROPOSED FY 2016 BUDGETS
- NO MODIFICATION TO DEPARTMENTAL LEVEL OPERATING COSTS
- RECOMMENDATIONS FOR REVENUE ENHANCEMENTS
- RECOMMENDATIONS FOR EXPENSE REDUCTIONS

Budget Comparison

BUDGET FOR THE VALLEYS-OUTSOURCE FOR THE PEAKS

FY 2015 ACTUAL	FY 2016 PLAN	FY 2016 PROPOSED	FY 2016 ALTERNATIVE
\$175,085,878.00	\$178,519,600.00	\$187,750,000.00	\$175,869,082.00

Flat Budget for FY 2016

Includes \$3,433,722 in new spending or an additional 2% which should be enough to pay County bills, replenish the cash reserves and begin to address several new initiatives outlined by the County Administrator as follows:

Communications
Savings:
\$45,844.00

Adds 1 FTE that ½ paid via Tourism funds & is a transfer of this FTE from Economic Development to Communications duplication of efforts already being done by Chamber & Tourism Investment Fund

Economic Development Savings: \$97,844.00 Total Savings: \$143,688.00

Includes \$52,000 for road study for possible transportation matching funds. Kimley-Horn has completed a county-wide traffic studies already for the Comp Plan, Mr. Hill has this list with cost estimates; savings \$52,000 + \$45,844 (½ employee shared with Communications)

Commissioner of Revenue Savings: \$50.000.00 Total Savings: \$193,688.00

Proposed FY16 increased over Plan FY 16 by \$31,939. The number of income tax returns processed continues to decline (FY08—8,159 to FY 14—4018). Inexplicably, Plan & Proposed FY16 budget an increase in tax returns processed over 2014. The decrease in this intermittent peak work flow during tax season suggests a reduction in FTE from 11 to 10.

Treasurer
Savings:
\$137,301.00
Total
Savings:
\$330,989.00

Reviewing the Key Work Plan Items for this office & Satellite Service Office shows overlap in functions. We believe the Satellite Office should be under the auspices of the Treasurer. Inexplicably, staffing levels for the Treasurer's Office has been rising. Technology advances (on-line bill pay) should be at a minimum a level staff (since FY12 to FY16=+2 FTE). The merger of the Satellite Office with the Treasurer's Office would net 14.5 FTEs, a reduction of 2 FTEs. The average cost of a FTE is \$68,650 or a savings of \$137,301

Financial and Management Services Savings: \$25,000.00 Total Savings: \$355,989.00

▶ Operating costs are Proposed FY16 to increase by \$50K over FY 15 budget—we assume that is increased insurance premiums. The Commissioner of Revenue should be assigning a ½ time position to this department. Planning
Savings:
\$133,452.00
Total
Savings:
\$489,441.00

- Case Trak indicates re-zoning cases declining 40% from FY 06 to FY 14 (146 to 88) & 75% reduction in Master Plan reviews (12 to 4).
- For the two decades from 1985—2006, JCC increased by a lowend average of 1,000 residential units/year. Residential unit increases in JCC are between 200-300/year since 2007. Planning Dept. staffing has declined 2007-present by 43.2% while the growth rate has dropped 70-80%.
- A recommended reduction in funding. A flat 15% reduction (personnel) producing *a savings of \$133,452.*
- Recommend Manager of the Development Management serve a dual role as the Planning Director. The day to day supervision of the Planning Department should be assigned to a designated Senior Planner.

General and Capital Services Savings: \$478,692.00 Total Savings: \$968,133.00

There is a long sordid history of capital projects being afflicted with time delays, cost over-runs and questionable quality (i.e. latest example—Courthouse roof). Capital Projects have a beginning and end. The responsibility for Capital Projects in all of its aspects needs to be outsourced so that future poor oversight problems can be corrected via private sector bonding and not taxpayer funds. The model for this office should be the Manager of Development Management—oversee the 4 other departments under the General Services Division (Storm water removed, moved to Development Management). New total staff-2 (Manager & Administrative Assistant)—new total cost=\$220,000 or savings of \$478,692.

Stormwater
Savings:
\$478,692.00
Total Savings:
\$1,446,825.00

Empirical and enforceable standards will not be established until 2019. It is one thing to identify and repair failing neighborhood drainage facilities. It is totally another thing to embark on a massive program Countywide to meet some unknown standard.

Parks and Recreation Savings: \$121,601.00 Total Savings: \$1,568,426.00

- Recommend maintaining spending @ Adopted FY15 levels + \$50,000—Total \$5,565,395 or savings from Proposed FY16 of \$76,038.
- Increase user recovery to 54%. This increases Park & Rec cost recovery **saving \$45,563**.
- ► <u>Total savings--\$121,601</u>

Contributions from Outside Agencies Savings: \$42,288.00 Total Savings: \$1,610,714.00

Reduce \$1,000 from Williamsburg Land Conservancy & maintain Plan FY 16 also reflecting the Proposed FY 16 & approved reduction of Hampton Roads Planning District Commission "dues"—total savings \$42,288.

W-JCC-Low End Savings: \$1,000,000.00 **Total Savings:** \$2,610,714.00 ► Reduce the proposed 2.5% salary increase to 1.5%. Savings \$800,000. Increase cost share of health insurance premiums to 25% with School Board Employees—savings approximately \$200,000. Total Savings--\$1,000,000

W-JCC-High End Savings: \$2,025,000.00 **Total Savings:** \$4,635,714.00

- Modify the High School Block Scheduling to not only bring time of instruction fully into compliance with State statutes but also <u>save</u> \$1,500,000.
- The W-JCC budget also adds 7 high school teachers that would not be needed if block scheduling were to be eliminated (@ \$75,000/teacher total compensation) save \$525,000
- Total of \$2,025,000.00 savings

Contributions of Other Funds Savings: \$6,885,317.00 **Total Savings:** \$11,521,031.00

- Contributions to Other Funds Part 1: In the absence of clear, verifiable and legally required mandates for storm water, it is simply not prudent to spend \$3,015,317 on these projects (Attachment 14A). With the exception of the Courthouse roof, how can any of these projects go forward prior to the completion of the Facility condition/space study? Anything more than \$1,000,000 in FY16 isn't prudent. Total savings \$5,785,317.
- Contributions to Other Funds Part 2: We question continued contributions to the Chamber of Commerce & Tourism Alliance. WADMC is required by statute. The decline in tourism over the last 25 years shows no signs of abating. The effectiveness of continued support of the Chamber of Commerce is questionable. We recommend reducing this contribution by 50% FY 16 (\$350,000), 50% FY 17 (175,000) and \$50,000 flat FY18 on. Savings \$350,000.
- Contributions to Other Funds Part 3: Debt Service is increased from Plan FY16 to Proposed FY16 by \$1.5 Million. We propose fund ½ of this from the transfer of \$750,000 from the PDR/Greenspace to Debt Service. Since the Greenspace bonding authority expires 11/15, we recommend that as part of this budget the BOS repeal this authority. Savings \$750,000.

Facilities
Maintenance
Savings:
\$109,887.00
Total Savings:
\$11,630,918.00

Clear areas of responsibility but does "provide staff with training in building automation, sustainability and energy reduction" actually involve. In the absence of an explanation of Proposed FY being significantly higher than Plan FY16, <u>remaining @ Plan FY 16</u> <u>Budget saves \$109,887</u>.

Salary Increase **James City** County Government **Employees** Savings: \$250,000.00 **Total Savings:** \$11,880,918.00

► 1.5% raise that is consistent with W-JCC, saving \$250,000.00

Alternative Budget FY 2016 saves \$11,880,918.00 and produces a Surplus of \$2,650,518.00 to be used to pay for other county initiatives.

NO TAX HIKE JUSTIFIED